

IN THE MATTER OF INTEREST ARBITRATION

BETWEEN)

CITY OF COUNCIL BLUFFS, IOWA,)

PUBLIC EMPLOYER,)

AND)

COUNCIL BLUFFS ASSOCIATION OF)
FIREFIGHTERS LOCAL 15,)

EMPLOYEE ORGANIZATION.)

Hugh J. Perry, Arbitrator

Award issued: March 14, 2004

APPEARANCES:

FOR CITY OF COUNCIL BLUFFS:

James Brick, Attorney

FOR FIREFIGHTERS LOCAL 15:

MacDonald Smith, Attorney

BACKGROUND

Firefighters Local 15 represents some 101 employees in the City of Council Bluffs, including Captains (26), Engineers (23) and Firefighter/Firefighter Paramedics (52). The City of Council Bluffs, population 58,268 is Iowa's 7th most populous City. There are 3 other bargaining units in the City represented by Fraternal Order of Police, AFSCME and CWA. The Police are in a multi year agreement. CWA has settled its contract. AFSCME is engaged in arbitration. Council Bluffs is held up by the parties to the Iowa Cities of Cedar Rapids, Davenport, Sioux City, Waterloo, Iowa City, Dubuque, Ames, Cedar Falls Bettendorf, Mason City, and Clinton for the purpose of making comparisons under the PERA. (The City also includes Burlington, population 26,839.) The parties have bargained for several years since the inception of the Iowa Public Employment Relations Act. They are concluding a 2 year contract dating July 1, 2002 to June 30, 2004. This year the parties engaged Factfinding to resolve their dispute. All of the Factfinding Recommendations were not accepted by both parties and they proceed to statutory arbitration to resolve their final issues. The undersigned, in fashioning this award has considered the criteria set forth in Section 20.22 of the PERA. A hearing was held on March 8, 2004 at City Hall in Council Bluffs. Following the presentation of testimony, written exhibits and arguments, the hearing was closed on that date.

IMPASSE ISSUES

The Impasse Issues before the Arbitrator are: *Wages, Insurance and Transfer Procedures.*

CURRENT CONTRACT

Wages: The parties have a wage schedule that provides for as many as 12 steps. There are separate schedules for Firefighters without medical certification, Firefighters with medical certification, Firefighter/Paramedics, Fire Engineers and Fire Captains. Pay ranges from a beginning Firefighter Grade 1 (without certification) who earns \$11.71 per hour or \$32,387.75 per year to a Captain Grade 5 at step 12 who is paid \$18.46 per hour or \$51,083.96 per year. Top Firefighter pay under the current contract is \$15.83 per hour or \$43,799.98 per year. This is the same as top pay for Firefighter/Paramedics. Top Fire Engineer pay is \$16.94 per hour or \$46,865.94 per year. There is no provision for hazmat pay in the current contract.

Insurance: The City has a self insured health insurance program for its employees. Members of this bargaining unit enjoy single and family health, dental and optical insurance. There is a preferred provider component (PPO) component to the insurance plan which reflects lower hospital co-insurance for those employees using it (90% vs. 80%). Maximum annual deductibles are \$100 per person and \$300 for family. Maximum annual out of pocket is \$1,000 for employee and \$2,000 for family. The current premium cost to these employees is \$1.20 per year for employee insurance and \$120.00 per year for those employees taking family insurance.

Transfer Procedures: The parties current contract has no provision on Transfer Procedures.

PROPOSALS OF THE PARTIES

CITY PROPOSALS:

Wages. The City proposes a 3% general wage increase and a \$500 yearly stipend for those employees who are officially designated part of a regional hazmat team to be paid on a bi-weekly basis. The City's wage proposal is the same as the Factfinder's wage recommendation.

Insurance: The City proposes that these employees pay \$10.00 per month toward the cost of single health insurance, that employees taking single and dependent insurance pay \$24.00 per month and that any employee hired after July 1, 2004 pay \$56.00 per month for employee and dependent coverage.

Transfer Procedures: The City resists the inclusion of an article, Transfer Procedures, into the parties' contract.

UNION PROPOSALS:

Wages: The Union proposes that the wages of these employees be increased as follows for the next contract: Steps 3-6 0%, Steps 7-10 3%, Steps 11-12 4%. (The wage schedule starts on Step 3.) The Union also proposes an annual \$500.00 stipend to be paid bi-weekly for employees designated part of a regional hazmat team.

Insurance: The Union proposes that Employees taking single insurance pay \$10.00 per month and

those taking dependent insurance pay \$24.00 per month. This is the same as the Factfinder's recommendation on Insurance.

Transfer Procedures: The Union proposes language on Transfer Procedures which is attached hereto.

FACTFINDER'S RECOMMENDATIONS:

Wages: The Factfinder recommended a 3% general wage increase and that employees officially designated as part of a regional hazmat team be paid \$500.00 per year, payments to be made on a bi-weekly basis.

Insurance: The Factfinder recommended that employees taking single insurance pay \$10.00 per month toward this coverage and that employees taking dependent insurance pay \$24.00 per month.

Transfer Procedures: The Factfinder did not recommend that a Transfer Procedures article be added to the contract.

CONTENTIONS OF THE PARTIES AND DISCUSSION

WAGES

The City urges that its wage proposal of 3% is reasonable. It notes that the CWA unit voluntarily settled for a 3% wage increase and that the Police unit will receive a 3% increase in this the second year of a 2 year agreement. Non union employees in the City will receive a 3% wage increase. Other data for settlements this year submitted by the City were Iowa City, 2.75%, Ames, 3%, Davenport 4% and Cedar Rapids, 2.75%. For other Cities in multi-year contracts, the data submitted was Sioux City, 2.25%/2.25%, Waterloo 3.5%, Bettendorf 3% and Burlington 0-4.5% (restructured pay plan). The data presented by the City indicates that when base wage rates and longevity are combined Council Bluffs Firefighters are paid favorably when compared to their counterparts in other cities. They are 1.46% above the average at entry level, 3.04% above average at 6 years, 2.26% below average at 22 years and 2.57% below average at 26 years. Fire Engineers and Officers fare somewhat better. The City notes that its longevity plan is somewhat above average. The City costs its proposal as a 9.7% increase as a percentage of wages. This assumes the City's position on insurance is awarded. This would result in an increased cost of \$421,864.00. Included in the costing is the assumption that the cost of insurance will increase by 25%. The Union's proposals on wages and insurance were projected to be 10.2% or an increase of \$444,420.00.

The Union argues that the current wage structure doesn't offer incentive to senior firefighters to stay with the City. Only 1/3 of the unit has 10 years or more of seniority. Many leave to go to the Omaha department across the river which offers much higher wages. The Union's comparability data did not include Burlington. It indicated that top Firefighters in Council Bluffs were paid 4.3% below average, top Engineers are 4% below average and top Captain salaries are 6.8% below average.

The Union urged that its wage proposal be awarded as justified by the data. Further justification would be if the Arbitrator awarded the City's position on insurance to offset a significant diminution in a benefit for these employees. Settlement data submitted by the Union suggests an average increase in wages of 3.32%.

Discussion. The data submitted suggests that the Union proposal to increase the more senior positions by 4% has merit. The comparability data suggests that the more senior employees in this bargaining unit are paid less well than their counterparts in the comparable cities presented. It is noted that Burlington is consistently at the bottom of the various wage comparisons and the City's inclusion of this City skews the data in favor of the City's position. It is noted that the Union took into factfinding a wage proposal which provided that Steps 3-6 receive a 1% pay increase, Steps 7-10 a 3% increase and Steps 11-12 a 7% increase. The position it takes here is much more reasonable. Another factor in favor of the Union's wage position is the award made on Insurance below. The hazmat pay recommended by the Factfinder has been accepted by both parties. It is my conclusion that the Union's position on Wages is the most reasonable one before me. It is awarded.

INSURANCE

The City proposes that these employees be required to pay \$10.00 per month for single insurance, \$24.00 per month for family insurance and that employees hired after July 1, 2004 be required to pay \$56.00 per month for insurance, single and family. The City notes that its health insurance costs have dramatically escalated and that it is reasonable to ask its employees to share in these increasing costs. It notes that the Factfinder's recommendation on insurance was not the one it proposed and that if his recommendation was awarded, these employees would have a different insurance plan than all other City employees. Currently the Police employees and Police Supervisory employees are part of the 10/24/56 plan proposed here as are the non union employees. The CWA unit agreed to a plan requiring employees to contribute 5% of the insurance premiums, single and family and this was the insurance plan imposed on the AFSME unit last year when it failed to timely complete impasse procedures. The City notes that the actual cost of its health insurance has exceeded the projected cost (accrual rate) and that its insurance reserves have been depleted. The diversion of \$800,000.00 in gaming funds to the insurance fund was necessary this year to avoid a deficit. Currently annual health insurance cost per employee is \$11,448.00. The City contends that the most serious problem is the cost of dependent insurance. Greater employee participation premium costs will increase the motivation of both parties to work together to control costs.

The Union's proposal is to increase employees' contributions to \$10.00 per month and to \$24.00 per month for employee's taking dependent insurance as recommended by the Factfinder. The Union notes that this is an acknowledgment that these employees should bear a greater share of their health insurance. The Union suggests that the City is asking for major changes in its health insurance but is unwilling to give anything significant in return.

Discussion. Current contributions by these employees to the cost of their health insurance premiums are token, by the City's figures, 1%. Yet the cost of this insurance has dramatically

escalated and continues to do so. I agree with the City's argument that if employees are required to participate in the cost of their insurance they will have greater incentive to control costs. The Fact finder recommended part but not all of the City's proposal to change the insurance. Left out was the requirement that employees hired after July 1, 2004 contribute \$56.00 per month toward the cost of their insurance. The City contends that without this requirement, its proposal will have little effect. The City's proposal on insurance is the most reasonable before me. It is awarded.

TRANSFER PROCEDURES

The City resists the inclusion of a Transfer Procedures article into the contract. The City acknowledges that the parties have made substantial headway toward an agreement over language in such a provision but still have not obtained a mutual agreement over all language to be contained in such an article.

The Union contends that the parties have for the most part come to an agreement over language to be contained in a new Transfer Procedures article and that its proposal reflects this understanding. The Union requests that its proposal on Transfer Procedures be awarded.

Discussion. I am persuaded that the parties have come very close to an agreement on the terms of this article but that there is still disagreement over the exact wording to be implemented. I have full confidence that the parties will be able to come to an agreement on this article during the next round of bargaining. Such would produce a much better result than my awarding language over which there is still dispute without my fully appreciating the impact of such language. A Transfer Procedures article is not awarded for this contract.


AWARD

WAGES - The Union proposal. Steps 3-6 0% increase, Steps 7-10 3% increase, and Steps 11-12 4% increase effective July 1, 2004. Hazmat pay of \$500 to be paid bi-weekly to employees designated part of a regional hazmat team.

INSURANCE - The City Proposal. Effective July 1, 2004 employees taking single insurance to pay \$10.00 per month, those taking family insurance to pay \$24.00 per month and employees hired after July 1, 2004 to pay \$56.00 per month toward the cost of single and/or family insurance.

TRANSFER PROCEDURES - The City proposal also recommended by the Factfinder. No Transfer Procedures article to be added to the parties' agreement

Signed this 14th day of March, 2004



Hugh J. Perry, Arbitrator

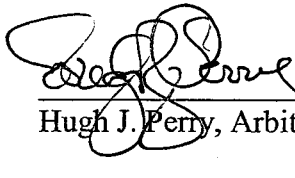
CERTIFICATE OF SERVICE

I certify that on the 14th day of March, 2004, I served the foregoing Award of Arbitrator upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

James Brick
Attorney At Law
550 39th Street Suite 200
Des Moines, Iowa 50312

MacDonald Smith
Attorney At Law
P.O. Box 1194
Sioux City, Iowa 51103

I further certify that on the 14th day of March, 2004, I will submit this award for filing by mailing it to the Iowa Public Employment Relations Board, 514 East Locust Street, Suite 202, Des Moines, Iowa 50309.



Hugh J. Perry, Arbitrator

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2004 MAR 18 PM 2:29
IOWA PUBLIC EMPLOYMENT
RELATIONS BOARD

Attachment #1:

Transfer Procedures:

Employees will have the opportunity to request a transfer to a shift position vacated due to separation from employment, transfer to a 40 hour position, or promotion. The request must be in writing within the fourteen (14) day posting period and shall state the shift, station and apparatus assignment that the employee requests to be assigned to.

Two (2) subsequent openings caused by awarding a requested transfer to an open position will also be posted, but no more than three (3) openings will be posted per separation, transfer, or promotion. The position will be posted in each station for a fourteen (14) day posting period and will state the shift, station and apparatus vacancy. If two (2) or more employees apply for the same opening, selection will be made by greatest time in rank of the employees who first meet any required special certifications or training for the position. Once the open position is filled all remaining transfer requests related to that position shall be invalid.

An employee's request for a transfer may be denied based on the position requiring a special certification or training. Examples of special certifications would include, but not be limited to Paramedic (Specialist), hazmat technician, and specialized rescue training or certification.

Vacant positions may be temporarily filled by the Fire Chief, for transfer or by reassignment of personnel with least time in rank until the open position is posted and bid upon, including those transfers needed to equally distribute employees between the three (3) shifts.

Vacant 40 hour Captain, Engineer, and Firefighter positions will be posted for employees to express, in writing, an interest in the position. The Fire Chief will give consideration to employees requesting a transfer to a 40 hour position, but reserves the right to place employees in the position other than those employees requesting a transfer, if those employee do not meet the requirements listed on the posting. If a 40 hour position needs to be filled, and no request is received, personnel with the least time in rank shall be involuntarily transferred to that position for no longer than one (1) year. Said employees shall not have been previously forced into a forty (40) hour position.